JPRS-EER-92-070
3 JUNE 1992

FOREIGN
BROADCAST
INFORMATION
SERVICE

JPRS Report

East Europe

East Europe

JPRS-EER-92-070 CONTENTS 5 June 1992

Macedonian Reaction to Bulgarian Criticism

[illegible] NOVA MAKEDONIJA [illegible]

[illegible] Another Mana Dimitrov [illegible] NOVA MAKEDONIJA [illegible]

[illegible] demand that Article 49 of the Macedonian [illegible] be amended. Stoyan Ganev, the Bulgarian minister of foreign affairs, has assumed the [illegible] of raising the question of recognition of Macedonia.

[illegible] the press conference given in Skopje on the occasion [illegible] the Republic of Macedonia, the Bulgarian [illegible] foreign affairs said: "We have nothing to [illegible] friendship and [illegible] for a common well-being for the citizens of the Republic of Macedonia and the people of the Republic of Bulgaria.

[illegible] Minister Ganev, the problem of the new borders compression that is to be heard in new Balkan confrontations turns up in the arena of European gambling with Macedonia as in another joker with which a question concerning the international status of Macedonia. At the press conference held in Sofia two days ago, as well as on several prior occasions, he emphasized [illegible] Article 49 of the Macedonian Constitution with the claim [illegible] that the Republic will be considered [illegible] the state, moreover outside its borders. [illegible] the part of the Bulgarian minister pointed out in [illegible] and categorical terms that amending Article 49 will be a condition of Bulgaria's recognition of the diplomatic recognition of Macedonia.

This [illegible] Sofia was the first to recognize the independence of Macedonia has questioned [illegible] the [illegible] which [illegible] had happened to [illegible] at the time to create an impression few people [illegible] trying to gain the sympathy of [illegible] the [illegible] of its statehood.

The [illegible] formulated by the chief of Bulgarian diplomacy concerning amendments to be made [illegible] Article 49 of the Macedonian [illegible] to be described as caused by the fear of Macedonian territorial claims and as essentially the same as the [illegible] conditions. Thus nothing its neighbors [illegible] had formerly [illegible] a precedent [illegible] Macedonia. Sofia finds itself in the same position as Athens in that both are forced to [illegible] which in the final account would [illegible] Macedonian independence.

We are once again [illegible] another mask has dropped from the face of Bulgarian politics. How else could we interpret these "gaffes" [illegible] that were being made by Sofia in recent months after it had openly declared [illegible] "nothing in dispute for us". Let us only mention Bulgarian President Zhelev who on several occasions expressing his concern about all the games being played with Macedonia so far and recalling over and over that Europe already recognized Macedonia claimed that "postponing the recognition could create unfavorable difficulties [illegible] in view [illegible] and become a permanent [illegible] in another sensitive region of the Balkans.

Such was the official Bulgarian [illegible] concerning the "endless games" [illegible] stand in the [illegible] of EC ministers. Unofficially it appeared that in the case of Macedonia such a difference was more [illegible] and that the recognition of Macedonia by Bulgaria last year was aimed at winning [illegible].

A study of the origin of the Bulgarian diplomatic [illegible] would make everything [illegible] and would [illegible] the main reason that Bulgaria recognized the state but not the people of Macedonia. The [illegible] statements by Minister Ganev [illegible] once again to unofficial [illegible] concerning the Macedonian minority in Bulgaria. It indicated that the [illegible] Macedonian policy has had [illegible] different interests concerning Macedonia.

Like Greece, Bulgaria is [illegible] the right of existence of an ethnic Macedonian minority in its land. This [illegible] the minority of Macedonian ethnic origin. Now, when Macedonia is impatiently waiting for recognition [illegible] statehood, its neighbors and [illegible] unfortunately not for [illegible] profiting from the circumstances [illegible] difficulties that raise further [illegible] process.

The fact that Sofia is using double standards in this matter is further confirmed by its [illegible] making or willing up a new [illegible] problems. This moment [illegible] handling the interests of Bulgarians abroad and having [illegible] Bulgarian interests outside Bulgaria. What a [illegible] composed. On the other hand [illegible] the existence of thousands of members [illegible] an ethnic minority in Bulgaria which [illegible] nothing but respect for basic human rights based on the standards set by the [illegible]. The other [illegible] minority is being [illegible] "Bulgarians abroad". It is not more than [illegible] such [illegible] requirements [illegible] Bulgarians believe that the world [illegible] that [illegible] cause was the [illegible].

Programs for AIDS [illegible]

[illegible]

[Interview with [illegible] of Hygiene [illegible] vent for Combating [illegible] In Response [illegible] nia"]

[Text] BANKER: [illegible] been [illegible] Albania [illegible] country [illegible]

[Banker] [illegible] were among [illegible] people in [illegible] been identified [illegible] high risk [illegible] the laboratory [illegible] Institute of Hygiene [illegible] of the disease [illegible] proof that [illegible] the fact [illegible] the lack [illegible] which we [illegible] and [illegible] persons [illegible] mind the [illegible] which [illegible] situation [illegible] Albania [illegible] the country and perhaps the virus has already arrived. For this reason, it would be desirable for us to detect it [illegible] through testing in order to sensitize public opinion.

BANKER: What experience have we had in preventing the spread of the virus?

[illegible] The period from 1984 to 1987 was a time for learning about the disease and training the first specialists by means of short specialization courses, mainly in Paris. In 1987 the National Commission for Studying, Preventing, and Combating AIDS was established and the first program for combating AIDS was drawn up. In 1988 a laboratory for the diagnosis of AIDS was set up at the Institute of Hygiene. In 1989 the second program, for the 1989-91 period, was drawn up. The World Health Organization (WHO) provided $150,000 to finance the establishment of the laboratory at the Institute of Hygiene and Epidemiology, short-term specialization courses for cadres, and teaching materials and equipment [illegible]. For the 1990-93 period, a medium-term program has been drawn up which will also be implemented with WHO assistance. For this program, WHO [illegible] about $600,000 in assistance.

BANKER: Do you think that the implementation of this program will protect our country from the danger of AIDS?

[illegible] I think that the implementation of the program [illegible] possible to create the necessary network and the material structure for facing all the problems posed by disease. However, AIDS is a disease which is [illegible] social causes to the formation of an individual [illegible] thinking [illegible]

Kalvoda Clarifies ODA's Postelection Stand

92CH0546A Prague CESKY DENIK in Czech
7 May 92 p 3

[Interview with Jan Kalvoda, chairman of Civic Democratic Alliance, by Martin Weiss, place and date not given: "The Debt of Czech Politics"]

[Text] [Weiss] In one of the "What the Week Brought" programs, Minister Oberhauser issued the challenge, "We will explain to the Czechs what sovereignty is." Has he explained it to you yet?

[Kalvoda] No, he has not explained it. You know, I am such a conservative person and as far as concepts are concerned, I would always get back to the elementary definitions. Mr Oberhauser's ideas will not have a lot of success in comparison with the established definitions of that concept which is the key concept of constitutional law. What Mr Oberhauser is putting forward is awkward political juggling of this concept, full of emotions and imprecision, but nothing in it can hide the fact that sovereignty is the characteristic feature and property of a state or state power. It has two elements, an internal one and an external one. The external element of state sovereignty is its independence of any other state power and the internal element is the property of the state power which means that on a given territory this particular state power is supreme and not dependent on any other external state power. It is hard to argue with what Mr Oberhauser says. No matter how serious a situation is, it is possible to laugh a bit.

[Weiss] In your statement of 7 March you announced that the ODA [Civic Democratic Alliance] is preparing specific steps for the case where Czechoslovakia is divided up. How are you going about this?

[Kalvoda] We have prepared a substantial part of what we referred to in our statement of 7 March. It is a package of the various legislative and executive steps which the government of the Czech Republic would have to take. It is clear to us that it is possible to submit beforehand particularly those proposals for laws. As far as the executive steps are concerned, it is a kind of political challenge, but in the case of some future event. Of course, we are considering when would be the right moment to take such a step as being unavoidable, as it could cause considerable political pressure and response.

Among the legislative steps, there must be, for instance, a standard which would give continuity to the Czechoslovak legal code on the territory of the Czech Republic. Then there are also some executive steps which were already mentioned by the Czech government in the fall of last year. It is well known that the government, and I consider this to be a responsible procedure, is continuing to make its so-called crisis scenario more precise. This is not a policy of confrontation, in this manner the government or the parliamentary political party carries out its responsibility towards the citizens of the Czech Republic. Of course, we are not yet so far as to be able to submit all the steps and in our opinion the time has not come to submit them.

[Weiss] What is the relationship between your proposal and the government's proposal?

[Kalvoda] What the government has done covers the technology of the breakup of the joint state from the standpoint of the departments. We, of course, had to go farther because it will be a matter not only of the techniques of dividing up the networks, building borders, fine tuning, and other things, but also a matter concerning constitutional laws and international laws.

[Weiss] What kind of response are you seeing to your announcement?

[Kalvoda] A relatively puzzled one. Our view, which was not lightly formed in the ODA nor without reversals, is based on the fact that a parliamentary party in the current parliament has an obligation to react publicly to significant political problems. We tried to lay such a problem out in that statement. We are of the opinion that there is no place here for any kind of preelection tactics nor any attempt not to lose voter sympathy nor any attempt to gain it. We are not insisting that all the parties take our position, but we do insist that all parties in the parliament are obliged to reflect the situation somehow. This has not happened.

We actually have received two responses. One came from the OH [Civic Movement], thoroughly unfavorable, relatively ironic, and the other more of a message which called our policy a power gesture and irresponsible. I would allow myself to add a note to this. The situation sometimes also works out that the parties which are putting up candidates in the parliamentary elections do not have the right to choose with which of the Slovak parties they will deal after the elections. It will be the Slovak voters who decide with whom the Czech victors in the elections will deal and vice versa. This sounds logical, but that is only half the story. The other step consists of the fact that the preelection predictions in Slovakia indicate that after the elections we patently will not have anything to do with those who will obviously win in the Slovak parliamentary elections. We likewise perceive the preelection period as a time when there is still some chance of influencing the opinions of the Slovak voters. We do not have too great illusions that it will succeed, but we consider it our duty as a party which prefers the framework of the federation. The fatalism about what the Slovak voters will decide is, on the contrary, very irresponsible in our opinion. The Slovak voters should know that if they vote for parties which, in addition to being leftist, are also moderately nationalist, then these parties will not be capable of reaching agreement with certain political forces in the Czech lands and they could then also use this to parade their decisions about voting. The logic of our idea is derived from this fact and is based particularly on the fact that there are not many opportunities where one can

try for a legitimate political influencing of the Slovak scene. We consider as irresponsible the ideas of the type which say that we must wait until we see with whom we will be dealing. After all, an expression of the responsibility of a political party is not to create an absurd coalition. An effective government cannot be based on such a nonsensical coalition; it would be a matter of an unacceptable postponement in dealing with the problem.

[Weiss] The ones who characterized your statement as a power play were obviously the ODS [Civic Democratic Party]. However, the ODS has decided to influence the Slovak political scene by becoming a federal party and in coalition with the DS [Democratic Party] it is competing for votes from the Slovak voters. Is this not a very political attitude?

[Kalivoda] I greatly welcomed this step by the ODS and without any kind of irony I wish them the greatest success. But this is not the step B which would be the follow-on to this step A. I think that both the two positions are essentially necessary. For this reason, even though I say that I wish this action by the ODS success and that I consider it important, I do not have too much hope for it paying off in the Slovak political scene.

[Weiss] Will the elections be a referendum on the future of the federation?

[Kalivoda] I have heard the view in the form of a fear that these elections should not be another plebiscite: we had an earlier one against communism and this one would be on the federation. That is a keen perception, but the fear is unfounded in the sense that whether we want it or not, it will be a referendum. Unfortunately, I see here a certain debt of the Czech politics which was capable of producing a partner for negotiations on questions about the state legal arrangement in the person of Mr. Oberhauser and his peculiar formulations on the subject of sovereignty.

[Weiss] You said that Mr. Oberhauser produced the Czech politics? What do think about whether it was produced by the Slovak politics?

[Kalivoda] The Slovak politics for a very long time had a partner who did not stick to the political level of negotiations. A partner who passively came up with creations like those that Mr. Oberhauser is putting forth, without sticking to any clarification of positions. And only by doing that is it possible to arrive at any resolution in the negotiations about the state legal arrangement. The product of what I am speaking about is the fact that the Slovak population by an overwhelming majority, if we are to believe the various public opinion surveys, prefers a joint state, but an even bigger majority of the Slovak population will vote for parties which today are already openly calling for independence. In other words, that perceptive and understanding attitude, so much emotional and so little political, has resulted in the Slovak scene having political entities gadding about which in one breath say, "of course, the joint state is nicer and better" and in the next breath say, "but we want independence." But so that there is no mistake, I am not pleading for some kind of hard, confrontational position. Politics is not war and the prestige of the politicians is not what this is about. It is a matter of an elementary level of negotiations, either this way or the other.

Mikloško Reviews His Current Political Position

92CH0056A4 Bratislava SLOBODNÝ PIATOK in Slovak 1 May 92 p 3

[Interview with František Mikloško, chairman, Slovak National Council, by Eva Machova; place and date not given; "The Temptations of Power"—first paragraph is SLOBODNY PIATOK introduction]

[Text] The only day when the chairman of the Slovak parliament could find time for me was Saturday. We met at his apartment on Hruškova Street. I was struck by the simple furnishings, the hundreds of books on the shelves, the fine white curtains, and the framed pictures of modern Slovak painters and graphic artists placed on the floor. František Mikloško sat opposite me in his sweater, as if nothing had changed from November 1989 when the men of the revolution were still wearing sweaters. But things have changed. Life is much more difficult and many things are dragging us down, fraying our nerves, and making us doubt the correctness of the path on which we are travelling. And if life is hard for us, why would it not also be hard for the chairman of the parliament. After all, he is only a common mortal.

[Machova] In your opinion, in what direction will the situation in our political scene develop and how has their shift over to the KDH [Christian Democratic Movement] changed your attitude toward your political colleagues in the ODU [Civic Democratic Union]?

[Mikloško] After the elections, neither of the parties which come into consideration for me, that is, the ODU and the KDH, can win or can form a government. Neither of them can by themselves ward off the danger that is threatening Slovakia. I am convinced that if we want to strengthen democracy somehow, if we want to begin the process of crystallizing the political scene in Slovakia, then these two parties cannot get along without each other in the upcoming election period.

Recently I had the opportunity to speak with a well-known journalist from Germany. He said to me that Slovakia will not find its way out of the current isolation until it builds up structures which are in keeping with the European tradition, that is, parties and movements which have their counterparts in Europe and which establish contacts with them in Europe.

After all the dramatic transformation which the ODU has undergone in the past two years, it is beginning to be a pragmatic right-wing party, one to which I cannot comfortably belong. But the encounters with people of the type of Gal, Zajac, Porubjak, Bunora, and Tatar are among the great experiences of my life. One can reproach

them that they saw some matters differently than other people. Fedor Gal for the entire two years went directly to the heart of things. He also persisted in this attitude toward life in Prague. He is one of the few politicians who openly went against Klaus. He called him an authoritarian type of person. I do not know whether he did not even use the word "dictator," which greatly disrupted their personal relationship. F. Gal does not look out for himself, his family, or his future, but when he thinks he has to express himself on something, he does. Maros Porubyak at this moment is some kind of "last Mohican" of the old VPN [Public Against Violence] and brings something of the old revolutionary times into the newly formed ODU, something between pragmatism and an integral humanistic view. During the crisis which occurred last year after the recall of Prime Minister Meciar, I was the one who convinced Maros Porubyak to get into politics. In the case of Porubyak, this was perhaps one of the most difficult separations because I pulled him away from his beloved theater.

[Muchova] How do you explain the fact that the people about whom you were just speaking are unpopular with the public?

[Mikloshko] The VPN lost something of its popularity right after the revolution when it began often to proceed in a somewhat authoritarian manner. I know that at that time many good people retreated from the disappointment with Jurasek. This was in January, February, and maybe March of 1990. The VPN was not able to hang on to a broad circle of people and was not able to speak for them. It was just at this time that a group headed up by Gal entered into the political process and tried to change the situation.

The second time that the VPN lost part of its prestige was when it approved the language law. The Slovak society has still to this day not digested that. That was the beginning of my political career, a very painful beginning. Not even I can yet walk the streets feeling totally good. Time is showing, however, that the language law could not have been accepted otherwise. After all, we know what strict requirements the European Community today places on countries such as Croatia, Slovenia, Latvia, and Lithuania for preserving the rights of their minorities. There was no other possibility than to go the route of the European standard. That was the second serious blow when the VPN had to bear.

The third came up at the time of the crisis with the prime minister, V. Meciar. It was the VPN that initiated his recall. While the language law occupied the parliament for the first half of the year, then the problems surrounding Prime Minister Meciar occupied the parliament for the entire second half of the year. Then the next six months came with its constant efforts at issuing a declaration on sovereignty in the Slovak parliament. Again it was the VPN which did not accept this approach, since it was aware of the threat of a situation with two legal systems, which is only a step away from chaos and anarchy.

[Muchova] In these three conflicts, the coalition was on one side and on the other there was some kind of movement by the populace which was initiated by other political parties and which did not contribute to the popularity of the VPN.

[Mikloshko] I think that there is yet another factor here. The VPN was the winning party and after the elections, instead of the expected absolutely rapid transformation and economic standards which would remind us of the West, there was a very unpopular period in which unemployment and insecurity grew and people began rightly to doubt the correctness of the path along which the VPN was travelling. Every victorious movement takes on its shoulders whatever problems arise. It would be biased if I were to say that the VPN did not make any mistakes and that it is a matter of just a great misunderstanding. I think that the VPN could have acted otherwise than the way it did in those three or four pragmatic decisions. (The fourth being the consequences of the economic reforms.) What it could have done, and here it made some mistakes, was to take sufficiently into consideration the nationalist element which exists in this society and is not just a fiction made up by the Slovaks. The Slovak populace needs to have someone speak for it in the sense of the Slovak character. But how to take that in one's grasp and direct it so that what is Slovak at the same time remains also universal?

[Muchova] But people are convinced that as a politician you do not have a feeling for that Slovak character.

[Mikloshko] I bear that national element within me. I got involved in this area in the "samizdat" publications in the 1980's. The first time that the song "Who Burns for Truth" and the national anthem were sung was at pilgrimages that we totally organized. At that time the boys from Kmetov gathered in Nitra with the Slovak flag for security. Despite this, I am convinced that at that time it was first of all necessary to strengthen democracy and not to let an alternative regime take power. As far as possible, we needed to do everything to ensure that parties won which had a stable, let us say, ideology (even when it was a little distorted) and a clearly established goal. Alongside them, there will still be nationally oriented parties which will have primarily a nationalist program in their platforms.

[Muchova] No one doubts that Europe is a Europe of nations. This means that the emancipation problem cannot be avoided by Czecho-Slovakia or by Slovakia within it.

[Mikloshko] It is really true that Czecho-Slovakia has remained the last multinational state in the entire region. It bears the entire schizophrenia that currently marks Europe on itself. On the one hand, the process here is a kind of integration where the joint economic market is beginning to be transformed into unification. On the other hand, we see the movement toward the breakup of entities into national states.

Slovakia cannot allow the second collapse of its statehood in the course of 50 years. It still carries the trauma of 1943 until today and therefore we are placing emphasis on strengthening democracy. At the same time, we perceive it to be the sole possible method of unifying the opinions of the populace. What has actually got us so stirred up? Why do some people want an independent state or at least a confederation and other hate even the idea, are threatened by it, and say that they will emigrate? It is uncertainty and a fear of a nondemocratic system, a fear that we could again have a system here that can oppress anyone. It is fear of an authoritarian regime. Democracy is therefore an essential element right at this moment. But at some point, and I am convinced that it will be before the end of this century, the people of Slovakia must state perfectly clearly how they want to live. I am convinced of this.

[Muchova] You have already said that you bear the burden of a certain lack of understanding by the public. Your most recent actions, however, indicate that you intend to stay in politics. What contributed to this decision of yours? Did you have any temptation to return to work which is less exposed socially? And a question that derives from that: people often doubt whether a person can stay clean in politics or whether they do not get involved in various calculations and machinations.

[Mikloško] A politician should preserve such a degree of freedom as will not cause him to swerve off the path that he wants to travel. In politics this freedom is found when a person does not have to be at the seat of power and does not have to be popular, but rather goes step by step towards what he thinks should form his political line.

Can a person stay clean in politics? I think that he can. The more that I get into politics, the more I see what enormous danger there is surrounding the entire movement. Somewhere here the world of idealism ends and the person struggles day to day with unbelievable facts. If, despite this, a person should not remain clean, then he should get out of politics.

[Muchova] In the political process there occurs the discovery of ideas and a person's character and there are changes in people's attitudes.

[Mikloško] It is people's fate that forms one aspect of the dramatic nature of this matter. What happened two years ago in Slovakia, the resignations and the downfalls, can hardly be compared with anything in decades. Friendships which had been built up over years all at once fell apart. Something will have to be written about this someday. The personal relationships formed a hidden part of the Slovak political scene. People who had worked together for many years all at once broke off from one another. Relationships which before then had been cordial became dramatic. I ask myself, "Where is the error? What is the problem that people had such a brief time in the sun?" I answer myself this way. People who lived through the experience of having entire squares full of people shouting their praises were after that experience exposed to the enormous temptation of power and it is very difficult for them to withdraw from the political scene, as is commonly seen in the West. They wanted to grasp the momentary trend and ride the wave, primarily to fulfill their own personal aspirations. Of course, time will tell who made such a decision and thought things over. I am not trying to be a judge, but just an observer.

[Muchova] The public is very sensitive when they see that someone wants to misuse political power and to strengthen their own positions. They often suspect today's governmental elite of wanting to stack up property while they are in power. Would you be capable of publicly distancing yourself from sleazy practices if they were used by your close political partners or friends?

[Mikloško] Truthfully, I have never experienced such attempts. It amazes me how these rumors get started about the newly affluent. I do not know about that. I tell you honestly, I do not know even one person who would have stuffed his own pockets. I think that any entrepreneur or representative of a Western firm today makes more than a minister or the chairman of the SNR [Slovak National Council].

There have been rumors, for example, about the Carnogurský brothers. Any time that I have taken an interest in them I have found that they have no basis. The prime minister of the government is not active in the economic sphere at all. He is a person who lives only for politics. I know that his brother is involved in economic matters. He is the director of Hydrostav and his son is a representative of the Austrian People's Bank in Slovakia. Everything else that people are talking about is pure fantasy. In this area we are completely open with each other. If something like that had been going on, the deputies would have long since made an outcry about it. After all, in parliament they bring up even the smallest details which could create a scandal for the coalition. We rather are witnessing a situation where people who in the past lived private lives are today forced to live this way. And people who in the past amassed their money in whatever manner are today engaged in privatization. From where can a private person get 300 million?

Attention is not always justifiably turned to today's governing politicians. Other than the fact that they have cars and their salaries are not so small, I see no other advantages. I would say rather that the newly affluent are being cultivated in the economic structures. Whoever in the future has the economic power within his grasp will also have control of the political power.

[Muchova] What steps should still be taken in the parliament before the elections?

[Mikloško] The SNR and its leadership as the collective head had a number of plans which they wanted to carry out. The creation of laws is such an enormous task that we probably will not be able to fulfill the entire legislative plan which the government began. This is already

the April plenary session which is concentrating on the most important laws. What else we can accomplish should be to take a position of the 40 years of communism. We should enumerate there all the events, all the waves of arrests, and, as far as it is possible to comprehend them, the main features of the moral and spiritual devastation. It is the duty of this parliament to do so. These would be the warning signs for the future against the possibility of a return of any kind of authoritarian regime.

This parliament should also ensure a peaceful and democratic process for the elections where the baton is passed to another parliament. I have a deep-seated optimism in me which perhaps does not come from any public opinion poll, the historical optimism of the path of this country's populace. Let us look at the small details which I would call the signs of the times, which always in the end show, whether a person wants it or not, on which side the scales will finally come down. I have the feeling that it is inclining toward the good and that is the deepest source of my internal optimism and composure.

[Machova] Are you prepared for the fact that you may find yourself in the opposition after the upcoming elections?

[Miklosko] In that area, I am prepared for anything; the elections will tell. Each party wants to win because it wants to have a part in forming our future lives. There are only two alternatives before me: either a coalition position or one in the opposition.

Information Sources on Sudeten German Opinion

92CH0356[illegible]4 Prague RESPEKT in Czech 3 May 92 p 9

[Article by Peter Becher, secretary of the Adalbert Stifter Society in Munich: "A Broad Spectrum of Views Among Sudeten Germans: Partners Thus Far Overlooked"]

[Text] The reasons are different, but the results are almost identical. Ever since the political changes in 1989, more has been written in both German and Czech newspapers about the Sudeten German question than ever before, but the picture of the Sudeten Germans themselves remains remarkably shallow and emotional. The reader is still getting the impression of a dark conspiracy, in whose center sits like a black spider the Sudeten German Landsmannschaft [association of refugees and expellees], busy organizing a march into the lost homeland. Such view is regrettable, because it is ideologically obfuscating instead of critically illuminating, because it demonizes the Landsmannschaft instead of indicating the limits of its sphere of activity. Moreover, it is also harmful, because it undervalues other Sudeten German institutions that are extremely active culturally and politically, and that in part follow substantially older traditions than the Landsmannschaft.

Who, for example, knows that the Munich-based Adalbert Stifter Association has been in existence for more than 40 years, and as a Sudeten German cultural institute belongs among the most active intermediaries between German and Czech cultures? That is the way it was during 1968-69, when the then acting secretary Johanna von Herzogenberg established, together with other intellectuals, a "flying office" to provide help for emigres from Czechoslovakia, and nothing has changed to this day. Already before 1989 such personalities as Edit[illegible] Goldstucker, Jiri Grusa, and Ota Filip were guests in Munich. In January 1990 the Adalbert Stifter Association organized the first post-November trip of Ludvik Vaculik to the West, and in the fall of 1991 the first Czech theatre festival in Germany. Shortly after that, the chairman of the Association, Stuttgart sculptor Otto Herbert Hajek, accompanied German President Richard von Weizsaecker on his visit to Prague. There is only one thing wrong with this program: A Czech newspaper reader learns only very little about it, a German reader practically nothing. For the public the Adalbert Stifter Association does not exist. The Collegium Carolinum and the Ackermann and Seliger Associations find themselves in a similar situation.

The Seliger Society follows the oldest tradition, the tradition of the Sudeten German Social Democracy. Who today still knows that Ludwig Czech, for a long time the chairman of this party during the First Republic, was elected deputy chairman of the Czechoslovak parliament in 1920? His life ended in 1942 in the Terezin ghetto. The Sudeten German Social Democracy was the only German party that fought to the end for the preservation of the republic, supported refugees, and was itself in the end persecuted by the Nazis. Its members were sent to concentration camps, executed, forced to emigrate, and after 1945 were expelled like almost all other Sudeten Germans. Volkmar Gabert, the present chairman of the Seliger Society, spent the war years in exile in England, and later became chairman of the Bavarian SPD [Social Democratic Party] and a deputy to the European Parliament. He is one of those Sudeten German personalities who, by virtue of their past and their moral integrity, are literally predestined to take part in negotiations. There is only one thing wrong this involvement: A Czech newspaper reader learns only very little about it, a German reader practically nothing...

The most active and influential institution is the Ackermann Society, an association of German Catholics. It is practically impossible to enumerate everything that their representatives have done for the Czech Catholics and for reconciliation between the Sudeten Germans and the Czechs—publicly as well as covertly: the longtime chairman Josef Stigl, his successor Herbert Werner, Father Angelus Waldstein from the Emal Monastery, or Secretary General Franz Olbert. The scale of their activity runs the gamut from gifts and personal support to seminars, lectures, and publications. In December last year the Ackermann Society published a proclamation by Sudeten German and Czech Catholics, which says, among other things: "Among the Germans and the Czechs, people of good will predominate. But they must

not keep silent, because German-Czech relations as neighbors must be successful!" There is only one thing wrong with this proclamation: the Czech newspaper reader.

On the international scale, the Collegium Carolinum is considered to be one of the most renowned scientific institutes for the history of the Czech lands. In cooperation with historians from all European countries, the United States, and Israel it has contributed in its annual meetings, monographs, and half-yearly journal BOHEMIA to the study of the German-Czech past more than any other institution. For years it has maintained contacts with Czech historians in exile as well as in Czechoslovakia proper. That, too, was the reason why its chairman, Ferdinand Seibt, together with Otto Herbert Hajek, was an honorary guest during the Prague visit of the Federal president. Moreover, Seibt is an influential member of the Czechoslovak-German Commission of Historians. There is only one thing wrong with this highly sensitive and far-ranging activity.

The Collegium Carolinum, the Ackermann and Seliger Societies, and the Adalbert Stifter Association represent a voice that should be listened to, and their importance should be considered. It concurs with the Czechoslovak-German agreement, because for them it represents the necessary solution. They are coming to terms with the Nazi past self-critically, and they strive for a conciliation between the Sudeten Germans and the Czechs. They maintain contacts with Czech artists, writers, scientists, politicians and religious leaders in a way that nobody else in Germany does. They not only study the history of the Czech lands, they also preserve part of the Czech tradition. They not only know this country, they also love it. They are waiting for the day when in the coming years they will be recognized as partners, in Germany as well as in Czechoslovakia.

Response to Professor's Criticism of Nationalists

92CH0056Z4 Bratislava LITERARNY TYZDENNIK in Slovak 11 Apr 92 p 13

[Article by Eva Kristinova: "About 'I Cannot Help Being a Brit'—Responses to a Letter by Professor B. Pynsent on Renaming Communities in Slovakia"]

[Text] Dear Professor

I cannot leave our letter to the editor concerning the change of names of communities in south Slovakia (LITERARNY TYZDENNIK No. 9, 1992) unanswered. Excuse me, but your contribution confirms that in all probability you have no more than secondhand information about Slovakia, about the Slovaks and about Slovak problems.

After all, you cannot compare the Slovaks in south or southeastern Slovakia with the English residing in Ireland, Scotland or Wales. The Slovaks in Slovakia may only be compared with the Irish in Ireland or the Scots in Scotland. You in Great Britain probably do not have such naturally intermingled ethnic areas as is the case on the European continent and perhaps most of all, in central Europe. The commingling of Slovaks and Hungarians is mainly the outcome of the Turkish wars which continued for 300 years. First, the Hungarian nobility escaped with its subjects before the Turks from the lower regions of Hungary to Slovakia (which was then called Felvidek—Upper Country). After the Turkish wars, some of their descendants remained in Slovakia (in its south and southeast) and some returned home in the Lower Country. Their numbers were too small to revitalize and restore the ravaged country and therefore, the king and the aristocracy resettled there the hardworking Slovaks from the Upper Country, and their persevering, almost slave labor (to which they were used from their home) cultivated the devastated fallow fields, wilderness and swamp in the Lower Country and made them fertile again.

These new settlers were not the only ones to found large Slovak regions in the Hungarian Lower Country. Since time immemorial an Old Slavic population had lived on the territory around Lake Balaton, in Matra, in the Pilis Mountains as well as in the vicinity of Esztergom (opposite to the town of Sturovo). In all probability, the first language St. Stephen, the first Hungarian Christian king, spoke was Slovak because his mother was a Slavic princess and therefore, a Christian. His royal throne was defended by the Slovaks who in the legendary battle at Esztergom defeated a rebellious Hungarian pagan army. A great poet of the Stur circle, Andrej Sladkovic, commemorated that historic event in the fourth stanza of his poem "Echo"

Your ancestors used to sit at the throne of Stephen,
Their young heroes slaughtered the pagan near Esztergom.

Obviously in gratitude for this crucial and (for us it would have been better if we had broken our legs then and there!), King Stephen put on his royal insignia the three Slovak mountain peaks and in the middle, rising from a royal crown, a Christian cross with two crosspieces (used in Slovakia since the 9th century).

You must already begin to realize that the Slovak-Hungarian and Hungarian-Slovak problems are not as simple as you, Professor, have presented them in your letter. Read, for instance, the novel *Black Diamonds* by Mor Jokai (whose family's surname was Dobrotka). Its heroine is an indigenous, and therefore, Slovak inhabitant of Matra.

Before the movement of national awareness—and consequently, also Hungarian pressures on the non-Hungarian population—began to rise in old Hungary during the second half of the 18th century, non-Hungarians constituted a major part of Hungary's population. In order to survive, the Hungarians—perhaps because they were a minority—became aggressive, and

[illegible]

[illegible]

[illegible]

[illegible] Revision of 1992 Budget

[illegible] *MAGYAR HIRLAP*
[illegible]

[illegible] Association of Democrats' Youth [illegible] rep- [illegible] Minister Laszlo Mado, and Janos Ader [illegible] stated that at their press conference [illegible] budget must be reviewed. It would be [illegible] government to submit the revision to [illegible] the coalition forces. The FIDESZ rep- [illegible] said that during and after last year's [illegible] parliamentary period questions to the [illegible] because they believed it was evident [illegible] budget would show a deficit for the [illegible] year. According to [illegible] Minister of Finance [illegible] opposed a budget revision. Ministry of [illegible] Zoltan Nagy and Tibor Pon- [illegible]

[illegible] the budget because payment [illegible] Fund brings us dangerously [illegible] and discipline is made- [illegible] FIDESZ representatives. Our [illegible] worthwhile to submit to [illegible] revision considered reasonable by [illegible] during the autumn session in [illegible] concern themselves [illegible] budget and because neither a public [illegible] law nor a new financial guideline [illegible] the privatization package has been [illegible] parliament. The FIDESZ representa- [illegible] that in Germany in such a case [illegible] are out of sync, the govern- [illegible] submits a revised budget or the [illegible] from the State Audit Office.

[illegible] FIDESZ, we lack not only public finance [illegible] and financial guideline laws but also a law [illegible] rights, responsibilities and profile- [illegible] of the State Audit Office. The [illegible] unanimously attribute the lack [illegible] to the MDF [Hungarian Demo- [illegible] Forum].

[illegible] connections do not consider sound the [illegible] Free Democrats' proposal con- [illegible] housing loans. As everyone knows, [illegible] that either the principal be restored [illegible] which 5 percent interest must be [illegible] principal stands but the monthly [illegible] forints. According to [illegible] and partly unconstitu- [illegible] was introduced by Beszeszsagos [illegible] a political purpose in [illegible]

Delays Encountered in Privatization of MALEV

[illegible] Budapest NEPSZABADSAG in Hungarian 31 Apr 91 p 1

[MTI report: "Privatization of MALEV Is Delayed"]

[Excerpt] Transformation of the state-owned Hungarian Air Transport Enterprise (MALEV) into a joint-stock company will occur in the second quarter of 1992, a few months later than previously planned, said MALEV spokesman Peter Karasz in response to an MTI [Hungarian Telegraph Agency] inquiry.

Last December, as everyone knows, the State Property Agency (ÁVU) named the first quarter as the start of the transformation process. The ÁVU also approved a list of MALEV's potential partners just last year, and on the basis of this list the consulting firm Credit Suisse First Boston (CSFB) informed nearly 50 airlines of the impending move.

Even though talks have begun with several airlines regarding MALEV's planned marriage and privatization, the rumor quite firmly persists that the only likely partner is the Dutch KLM. This story is supported by the fact that the two airlines have enjoyed a fruitful relationship for years in the transport of both goods and passengers. According to Dutch sources, the marriage is described as advantageous by insiders on the Amsterdam stock exchange. However, in view of how MALEV successfully overcame the obstacles of market change and—unlike many large airlines—managed to maintain its profitability last year, other firms are very interested in the Hungarian company.

The MALEV directory have repeatedly pointed out that they will wait for the most opportune moment and not hurry the marriage. Thus the only thing certain is that privatization of the company will take a few more months, and even after the marriage the state will remain a majority owner. After the expected increase in capital it is likely that about 30 percent of the stock will remain in foreigners' and 10 percent in workers' hands. Later the leftover stock will be offered publicly to the general population and to foreign and domestic investors.

Kupa Refutes Charges of Intervention, Restriction

[illegible] Budapest MAGYAR HIRLAP in Hungarian 6 May 91 p 11

[Article by Laszlo Hamai: "Mihaly Kupa: Patience Is Needed More Than Action"]

[Text] It would be dangerous if we continued to interpret the economy in political terms, and we must do everything we can to stop it, said Mihaly Kupa among other things, at the national session of the Hungarian Economic Chamber held yesterday. The minister of finance just partly agreed with the Chamber statements concerning this year's economic events. He said that in many cases the published statistics did not conform with the truth. At the same time, he admitted that the

[illegible]

[illegible]

[illegible]

Regional Telephone Companies Separation Analyzed

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

HUNGARY

Massachusetts has enacted a great [illegible]. It is not to enable us fulfill its promise, it will have to face [illegible] angry people demanding that money [illegible] instead of the same number of upscale [illegible] customers. We are aware that Massachusetts's regulatory [illegible] depends on this case [illegible] command the firm's [illegible]. Then, they will not touch the [illegible] subscriptions which will be put in a separate account until the financial and legal background is [illegible].

The telecommunications law—this is the [illegible] which in order for the neighborhood [illegible], which are set up throughout the nation, to adhere to the prescribed deadline of [illegible] 1991, the telecommunications law must be signed by April or May at the latest. If the legislation is delayed until September or October, then a dollar can be expected in the neighborhood affair as well, which would be astonishing not only for the [illegible] waiting for telephones and the rate-making commissions, but also for the local governments which cannot hope to show any achievements in the present [illegible] rather than a certain kind of neighborhood network development. The fact that the telecommunications bill, designated as "urgent," has been pending its turn on the agenda since mid-February is not very reassuring either.

The proposed bill promises that in the future the right to provide telecommunications services will be obtainable only through a license, and NYNEX—[illegible] percent of which is still owned by the state which in the long term is expected to own a majority share—will not be the only one to have this license. Then, theoretically, it could happen that our Parliament assigns a license to operate in Budapest's District XII, in which case it would also provide service to MATAV, in the opposite case MATAV would be expected to cooperate. Well, the bill's present wording would offer some "relief" to MATAV, a state enterprise which hitherto enjoyed exclusive rights, namely, by allowing it to operate without license for two years after the law goes into effect. This way MATAV remains a state [illegible], and in the view of legal [illegible] experts, it will have built a technological monopoly. [illegible] Zoltan Tanko. Tanko has a much right for arguments in favor of technological uniformity, namely, that the means for it have already been long invented, and they are called standards.

Failure To Attract Foreign Capital Examined

[ZYCIE GOSPODARCZE WARSZAWA ZYCIE GOSPODARCZE in Polish No 21, 28 Apr 93 p 7]

[Article by Grzegorz Kozinski: "How Are We Encouraging Investment in Poland?"]

[Excerpts] In recent weeks during the meeting of the Sejm Commission for Ownership Transformations, a law on joint ventures was discussed. A majority of the deputies noted, the new law on partnerships with foreign participation (14 June 1991) has not caused a significant increase in interest by foreign capital in forming partnerships in Poland. Moreover, due to the changes in regulations and the liquidation of the Agency for Foreign Investments, no one could determine exactly how many of them there are, in which industries they are active, and how much capital they have contributed. [passage omitted]

A New Law: Better, But

At present, discussion continues about how to make us more attractive as a business partner. It seems that the disadvantages of the law on joint ventures are not at all the most important obstacle limiting the flow of capital into Poland. The law of 14 June 1991 has permitted a large step forward in comparison with the old one of 1988. In particular, foreign partnerships gained the right of complete transfer of profits (that applied also to foreign employees of these partnerships), the capital minimum was reduced (previously $50,000), and payment of compensation was guaranteed in case of nationalization. Also tax exemptions for these enterprises were ended (previously there was an exemption from income taxes for three years).

In the opinion of specialists from the Institute of Finance, it would be more useful to Polish partners than to foreign investors. It was not surprising that during the three years of operation in "tolerable" tax conditions, even failing enterprises could achieve financial success. Obviously, one can such a tax exemption through individual negotiations at present. It can be given only to those firms that have contributed at least 2 million ECU (European Currency Units) to an enterprise and that introduce modern technology or to those that intend to begin operations in a region with high levels of unemployment. The minister of finance can also decide to reduce taxes in cases where 20 percent of the production of the enterprise is earmarked for export by the minister of finance when recommended by the minister of ownership transformation.

Privileges for taxes on dividends have also been liquidated. The positions have been made equal: now joint ventures and Polish enterprises pay a 40 percent tax on dividends (previously there was a 10-percent difference in favor of joint ventures).

What Have We Achieved?

The incomplete data show that at the end of 1991 there were about 4,800 partnerships with foreign participation in Poland, and they had contributed capital valued at $700 million. The majority of them (90 percent) operate in the material production sphere: industry (43 percent), construction (6.6), agriculture (1.3), transportation (4.3), trade (24.6).

Let us look again at their distribution. More than 70 percent of the partnerships have located in the six large voivodships. Warsaw (about 30 percent), Poznan (8.7), Gdansk (8.3), Szczecin (8.0), Katowice (5.8), Lodz (4.3), which would confirm the thesis that the strong attract the strong.

The percentage of the partnerships in the formation of income in 1991 was not quite 1 percent. The proverbial drop in the ocean. Structurally, in selected industries, the situation is as follows: construction (1.3 percent), industry (1.2 percent), trade (0.8 percent), transportation (0.2 percent). The joint ventures have, however, achieved a greater profitability among the economic subjects, divided according to form of ownership. In 1991, it was 43 zlotys (2) (the case of net financial performance per 21,000). This would confirm the thesis that they are efficient enterprises that arouse competition and will show how one should work. On the other hand, we should remember that many of them have benefited from the tax exemptions awarded prior to 14 June 1991.

The data of the Institute of Finance, small investors have so far have contributed the minimum of $50,000 required by the law (they make up 80 percent). [passage omitted]

Why Are They Not Coming?

Foreigners see us as an economically unstable country in which social confusion reigns. The two main reasons for their absence in Poland, however, are the state of our industry and the inability to purchase land and real estate. The first does not concern the lack of our economy (outdated technology, low productivity) but the legal status of an enterprise.

The Institute of Finance is of a similar opinion. It says that no one wants to bear the "baggage" in the form of great trouble in the social area because it does not pay.

"Every meter of table cloth or other product cannot include costs associated with the employee's nursery, preschool, vacations, plant heat generation," says Ewa Sadowska-Cieslak of the Institute of Finance. "The problem, however, is that while, on the one hand, a Western firm does not want them, on the other, there is no one to take them over. The overtaxed has no money and one can hardly count on foundations when there are so few." [passage omitted]

In the opinion of specialists, we should especially eliminate the barriers existing within the country. We should reduce to the minimum both administrative barriers

[illegible] of purchasing land or real estate and put the [illegible] of newspapers in order.

According to the law of 14 June 1991, the Agency for Foreign Investment Affairs was to be replaced within three months by a stock company whose sole founder was to be the state treasury. The State Agency for Foreign Investment, Inc., was registered with the court only a few weeks ago, and it is difficult to speak of the results of its activities. The task of the agency will be, among other things, to promote Poland around the world, facilitate foreign incorporation investments in Poland, and make foreign loans available to Polish firms, including ones from the PHARE (Economic Restructuring Aid for Poland and Hungary) foundation and the World Bank. In the opinion of many specialists, the failure to promote Poland abroad has causes there to come to us who want to and not those whom we would wish to come to us.

We have an opportunity to change our image in the world. The offices of the Center for Promotion of the National Chamber of Commerce being formed abroad and the reorganization of the Bureau of Commercial Advisers are to serve this end. Expo '92 in Seville is undoubtedly a good opportunity.

Further, we still have much to do in the area of agreements to avoid double taxation and agreements on the support and protection of investments. So far, Poland has signed agreements on the avoidance of double taxation with Austria, Germany, Pakistan, the United States, France, Sweden, Belgium, Great Britain, Ireland, Denmark, Mauritius, Finland, Norway, Holland, Spain, Japan, Thailand, Yugoslavia, Sri Lanka, China, Italy, India, and Canada.

On the other hand, we have signed agreements on supporting and protecting investments which guarantee investors of foreign subject operations on the territory of another state on principles of mutual equality with Great Britain, Austria, China, Korea, France, Italy, Belgium, Luxembourg, Germany, the United States, Kuwait, Canada, Turkey, Israel, Norway, Denmark, Finland, Sweden, Switzerland, Holland, and Austria.

Certainly, more time will pass before we convince the world that we are a reliable partner and that it is worthwhile to cooperate with Poland. For us, it is most important that happen as quickly as possible. It is, however, clear that it will not happen without our participation. Having both politicians and businessmen become aware of this fact in the near future would certainly help us quickly restructuring the economy with the help of foreign capital and not in isolation.

Need for Antimonopoly Legal Regulations Stressed

[illegible] Warsaw PRZEMYSŁ in PAUER No. [illegible] [illegible] Apr 92 p [illegible]

[Article by Anna Bilska: "Turnover in Poland: If There Is No Definition, Then There Is No Case"]

[Text] On 24 March police officer Marek Kwiecie removed a new Primera Cars, the pride of the police station in Rajka, Wrocaw. He parked in front of the station. He looked under the car and noticed, attached to the chassis, a package with wire wound around it. Inside the package were a Soviet alarm clock, a fuse, a battery, and two 200-gram cubes of compressed TNT.

The clock was set for 22:15 hours. The policeman averted an explosion by 300 seconds.

Last year the police intervened 922 times upon receiving reports of bomb alarms. In 20 cases the bomb exploded. Twice the explosives were successfully neutralized.

A Monday Without the Threat

The first report on a bomb planted was received by the police in October 1990. Since then a veritable plague of reports, most often false alarms, had commenced. "This is a kind of fad," Senior Inspector Henryk Bredzinski of the Antiterrorist Team at the Main Police Headquarters hypothesized. "I would not presume to prophesy whether it might not turn into something more business-like—terrorism."

To every site of a potential explosion (round police, ambulances, and power, gas, and hydraulic equipments are dispatched. Gas, electricity, and water are disconnected. Roads are blocked and people are evacuated from the building. The cost of these operations has been estimated by the police at 1 million zloty [Z] annually. Let us also add the cost of the explosion itself, when it happens. Last year five passenger cars, a telephone booth, and an elevator were blown into smithereens, and in addition explosions demolished the interior of a store, a discotheque, a car wash, and a church bell tower.

The statistics showing that the most dangerous days of the month are the 6th, 7th, 9th, 13th, and 23rd are merely for art's sake. Most bomb threat reports come from schools (30%). That is a fad that has spread equally among elementary and secondary schools. At vocational schools 19 cases were recorded and 22 at colleges and universities. It is thus not surprising that most bomb threat reports are received between 7:00 and 14:00 hours, that is, during school hours, and the worst days are Tuesdays and Fridays, rarely Mondays, because teachers do not give exams on Mondays.

The potential bombers provide information about the bomb threat by calling from public phones (711 cases) or from offices, writing anonymous letters (17 cases). The game is played chiefly by men (882) and teens (126). Sometimes they provide motives, revenge (from those feeling better about being laid off to schools pupils demanding the firing of an unpopular teacher), religious reasons (religious holy war or oppression of religious instruction in schools), and political reasons.

Sometimes the bombers identify themselves, for example, the "Oppressed School Youth," the "Free

[illegible] grouping the "Republican [illegible]," and in Wrocław, the "Workers's Liberation Movement," while in Gdańsk, the neo-Chapter of the "Federation of Fighting Youth."

A Menace

Compared to the avalanche of [illegible] weapons, authentic bomb attacks account for only a small proportion. But it is difficult to [illegible] a danger emerging from easy access to weapons and explosives, even after those left behind by the Red Army. The police are familiar with unofficial price lists used by Soviet military. A Kalashnikov costs 2[illegible]-3.2-3.6 million, an antitank grenade, 2.3-4 million, and a grenade, 2[illegible] or less if sold in large batches. This broad variety is complemented by mixtures TNT and foam. On a garbage dump near a Soviet camp, over 200 armed mines were found.

An inexhaustible source of weapons and explosives is the mines and quarries, in which production is inadequately organized. In another source, arms stocks. Between 1982 and 1990, a total of 1,[illegible] of various kinds of small arms were lost and never found. In 1990 alone, 176 firearms were lost (mislaid, stolen from military units, police stations, police officers, plant security personnel, and private individuals). Of that total, only 146 weapons were recovered, along with five pistols lost in the previous years.

An examination of the handling operations is complicated by the legal mess. Permits for the manufacture and importation of explosives and fireworks products and equipment are issued by the State Administrative Department of the Ministry of Internal Affairs. As of this date, 56 permits for the production of explosives have been granted, and an equal number has been granted for the production and distribution of fireworks. As many as [illegible] permits were granted to various companies dealing of distributing explosives. Permits for the importation of explosives are issued by the Central Board of Engineering at the Ministry of Foreign Economic Cooperation. In a sense, the Board confirms the permits granted by the Ministry of Internal Affairs for the distribution of these explosives. This requires additional time.

Some time so one will know which permits are official and valid and which are not, all the more so considering that local authorities such as mayors and reeves also issue individual permits for the purchase of explosives, permits that are not recorded by the police.

Results

The gaps in the law are filled by the court. The number of bombings is growing.

—Two loads of explosives destroyed the interior of a Gdańsk store in Wrzeszcz.

—In front of the Internal Affairs in Bielsko Podbiesko a primitively-designed bomb was accidentally identified and successfully dismantled not a week.

—In the Warsaw district a bomb was discovered and dismantled 40 minutes before it was scheduled to explode.

—A pipe bomb exploded in the hands of the bomber. It was to be installed in a supposed in front of a police station in Toruń.

—On a late morning in July a grenade was thrown at the Praga-South Police Precinct. The grenade hit a tree and fell on a parapet outside the building. The explosion destroyed a police radio vehicle, a window, and the facade of the building.

—Inside a Kraków-Bronx train compartment, customs officials found one Russian and three Polish F-1 combat grenades.

—Seconds moments after young people had left a Park Club discotheque in Warsaw, a grenade exploded there.

—Late last year five F-1 combat grenades were thrown from a car at a private house, causing damage estimated at 200 million.

—In the Warsaw Branch of the PKO Bank on Powiśle Wiślanskie Street, a man terrorized three persons with a grenade from which the pin was removed. He demanded 2[illegible] million.

—A month ago a bomb was discovered (with the aid of moving lines) under the door of the Ukrainian Chancellery in Wrocław-Zalesie. The premises were devastated by fire.

—A young man from Tomaszów who dressed like Rambo, when detained in the town environs in Warsaw, was found to carry several grenades and bombs in his rucksack. He had heard that he could sell them for as much as half a million zlotys apiece.

In as many as 90 percent of cases the police are alerted by alarms started by teenagers 11 to 14 years old, a result of national security, prepared by the Office for State Protection states. "The situation among young people is to be considered particularly dangerous, as informal groups of an extremist nature show growing support and popularity among them. This makes potentially possible terrorist actions by groups of this type and the activation of these groups as gang or paramilitary organizations."

The set of proofs in support of this conclusion is constantly lengthening. In 1991 skinhead gangs were used as bodyguards for the Congress of the Polish Right. It is certain that the "demonstration readiness" processed by R. Tokarewicz derives in case of assistance from the formation of permanent structures out of small groups of these skinheads and the development of that subculture in the vicinity of Zgierzyńska.

Another example is the events in Grudziądz. Last December a group of anarchist youth attacked the Western Youth Conference. Bottles wrapped in burning rags were

hurled at the building. A Molotov cocktail was hurled at the offices of the Military Police. Likewise an attack against a police precinct had been planned, but the perpetrators, a girl and two boys, were caught in advance. One of them was arraigned in court.

The Gdańskie events turned out to be part of a larger whole. The Popular Liberation Front, which crossed its accounts with these incidents in 1990-91, claimed credit for them. The list included attempted arson of the USSR consulate in Gdańsk (June 1990), as a protest against the killing of an Ukrainian anarchist; Piotr Szudik, the hurling of a tear-gas grenade into the offices of the Polish State Railroads in Gdańsk as a protest against the taking of train permits; the replacement of a homemade bomb in the offices of LOT [illegible] as a protest against impeding municipal information on the "13th December Conspiracy"; and a tear-gas grenade inside the Lux Poland Air Lines Building, as a protest against the expulsion of foreign citizens of Jewish nationality in Poland.

The Political Motive

The group operated in Gdańsk, Grudziądz and Bydgoszcz. It was precisely here, in January 1991, that its leader Piotr B. was arrested for having hurled a tear-gas grenade at the Soviet consulate.

Is the whole business a political motive or mere hooligan act?

A year ago, at an international conference, an LOT official for State Promotion expert answered, on the basis of international findings of the LOT, the existence of contacts with Polish terrorists. He commented: "It is important for Poland as part of combatting terrorism within the system operating inside the framework of the European Council and the EC," and hence also to "adopt a uniform strategy for preventing and combatting this evil." Particularly important are revisions of criminal law.

In Poland the term terrorism is increasingly used, but "danger without defining it remains." The law does not define it. Such a complicated matter is difficult to define precisely. More than 110 definitions of this concept exist in the world. Most often they reduce to "fear perpetrated [illegible] terrorist."

Some of the courts of this country already now fit this definition. "They are not very sporadic happenings," senior Inspector Andrzej Mikusiński said. "Yet they should not be ignored."

The police must repeatedly to set up a commission for finding permissions regarding antiterrorist and antisabotage operations. Yet this goal was never accomplished on the ground that situations of this kind already are prescribed by the laws and handled as in case of Poland's having signed international conventions on combatting terrorism, and regardless as terrorist activities are to be considered criminal actions. That is, ordinary crimes. "Terrorism is a conditional concept," commented the press spokesman of the Ministry of Justice, Judge Andrzej Czebotar. "Our criminal law provides sufficient protections against actions such as, e.g., an act of sabotage, a determinant activity disturbing the peace in sufficient, or calling for same, and the period, but individual instances of violations of law and order."

The applicable laws are conditional also so are the steps taken to avert the threat. The banks, courts, and state institutions and their employees are unprepared for this threat. What is more, no list of facilities particularly exposed to terrorist acts has yet been prepared. The special services lack access to architectural blueprints of the buildings that can be considered strategic. And when there is no definition of the problem, a supposedly does not exist.

Goals of Agency for Industrial Development

[illegible]

Interview with President Kurzel, president, Agency for Industrial Development S.A., by Andrzej Rudzewski; place and date not given: "We Do Not Subsidize Bankrupt Enterprises"

[Text] [Rudzewski] What role does the Agency for Industrial Development (ARP) play in implementing the government's industrial policy?

[Kurzel] The ARP, after receiving funds from the Structural Changes Fund in Promotion, created an institution to react quickly to the problems of enterprises, becoming a tool of the Ministry of Industry in the area of restructuring firms. For all of last year, the agency was the only institution that, in the course of its activities, could carry out a quick, preliminary appraisal of a firm, and in a situation where it saw that the level of risk was acceptable, was prepared to transfer the economic and capital goods protection—in the form of extending credit, in lower interest rates than a bank loan, under a specific restructuring program. There have been many such instances, and this means the investment of almost all of the agency's capital or a source to support the restructuring of enterprises.

The agency's activities have gone in two directions. On one hand, it was to help in developing the restructuring programs themselves, financed from SBT funds, which the agency administers. On the other hand, at this stage we had to assist the enterprises with some sort of bank-type credit, to ensure the plants continued operations, and generally, make it possible to carry out the restructuring process. The banks did not fulfill this role. Our banking system [illegible] would [illegible] administrative in terms of making quick decisions in the field of extending credit under specific programs. The agency made these decisions much faster.

This year the situation is fundamentally different. First of all, the funds for agency administration are already in use in

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

proceedings, in the opinion of the MPPH, should conclude with the opening of new economic organizational units on the base of the assets of the liquidated enterprises.

If there is a chance or if there are conditions that make it possible for an enterprise to get out of danger, a reorganization proceeding is initiated. The commissioners board is called instead of the organs which have run the given enterprise to date.

The measure of the MPPH oversees reorganization programs and works out their implementation.

At present, reorganization proceedings are being conducted in 14 enterprises.

The paths leading to the reactivation of bankrupt plants are various. One of the possibilities is to apply management agreements. There is great interest in this system, which stems from the law on enterprises, though it is received with some resistance. To date, five such agreements have been concluded. However, we cannot say that this method is successful, since too little experience has been accumulated to date.

A shortcoming of this approach is the fact that management agreements have been concluded only with the former directors of enterprises, and this method requires, above all, new proposals and methods of managing at economic organizational units.

Polish-Byelorussian Trade Possibilities Examined

[GAZETA PRZEMYSŁOWA, MANDALIN, in Polish No 17, 28 Apr-1 May 92, p 1]

[Article by Mikołaj Chwaściński: "Byelorus: A Partner Just Over the Border"]

[Text] Byelorus is an eastern country with which Poland already has a tradition of very extensive economic ties. Actions on the political-diplomatic and economic plane and the creation of a new infrastructure treated as a whole system show that the trend of mutual good-neighbourly cooperation will develop.

Two economic agreements concluded in Byelorus will facilitate this cooperation. The first, concluded on 31 October 1991, concerns economic cooperation and trade and the second, signed on 5 March 1992 in Warsaw, is in the form of a protocol on trade-economic relations between the two countries in 1992. The intergovernmental documents complement one another. Last year's agreement defined the framework and principles of general cooperation, while this year's protocol is a continuation of tasks for the current year. Two similar agreements were concluded with Russia. As a reminder, the Polish-Byelorussian intergovernmental agreement on economic cooperation and trade specifies that: Both countries will create favorable areas for the stable and harmonious development of economic and trade cooperation based on the principles of equality and mutual benefit. The signing parties grant mutually the most favorable terms for the import and export of goods applied with reference to the goods of third countries.

- Both countries will facilitate and foster the development of economic cooperation between the territorial units of their own countries, in particular in the borderlining area.
- The countries will contribute to the development of cooperation opportunities in such fields as industry, agriculture, the protection of the natural environment, transport, communications, construction, trade, services and tourism, as well as finance and banking.
- The cooperation will be implemented by means of the creation and development of combined capital companies and joint enterprises, the organization of representation for the creation and development of economic cooperation, the exchange of specialists, the rendering of consulting services, the organization of trade-industrial exhibits and fairs and the creation of business enterprises.
- The supplying of goods and the rendering of services will be implemented on the basis of contracts concluded between Polish economic organizational units and Byelorussian participants in economic cooperation with foreign countries. These Polish and Byelorussian organs will also set prices and the terms of deliveries and of clearing accounts in contracts.
- All clearings of accounts and payments will be implemented in convertible currencies, and by virtue of an agreement concluded between the appropriate organs of both countries, clearings of accounts and payments may also be implemented in another form.

These are the basic principles and economic-financial mechanisms for the other points of the agreement concerning economic-organizational matters. The protocol on trade-economic relations in 1992 specifies the general principles and adapts them to the situation and requirements of the present day. Then, among other things, it is projected that:

- Mutual trade between the economic organizational units of both countries will be implemented in convertible currencies on the basis of contracts and world prices, utilizing forms accepted in international trade, together with barter transactions.
- Information lists of basic goods and services will be developed and prepared for Poland's export to Byelorus and Byelorussian export to Poland.

The lists of offerings for Polish export include 31 commodities items, without specifying amount or value. They encompass a broad range of goods, from raw materials and semifinished products in the form of sulfur, soda ash, coal, steel pipes and sheet metal, resin, cement and paints and lacquers, to medicines and medical equipment, electrical light fittings, cosmetics and other items of general consumption, packaging, cotton fabric and thread. Among the proposed export

items are agricultural-consumer goods, i.e., sugar, grain both for human consumption and for fodder, hogs and machinery and equipment for agriculture and the food industry. The range of investment deliveries and deliveries of the means of transport is also extensive. It includes machine tools, computer equipment, telephone stations and apparatuses, AN-2 planes, helicopters and parts, highway construction equipment, Nysa and Żuk delivery trucks, Autosan buses and equipment for the water industry. Coproduction deliveries are proposed for electromagnetic clutches and unified gear boxes. In addition to this, construction services are proposed.

The product and services list of proposed exports to Belarus is also extensive, encompassing 45 items. These items are primarily raw materials and semifinished products, as well as Belarusian tractors, MAZ and Belaz automobiles, machinery for lumber and metal processing, computer equipment and software services in the area of chemical spraying. In the raw materials and semifinished products group, proposed deliveries include manganese and potash fertilizers, urea, ammonia, petroleum products, lumber, linen fibers, pulpwood from deciduous and coniferous trees, potash, nitric, caustic, lubricating grease, and peat. The group of manufactured market items includes deliveries of furniture, watches, televisions, refrigerators, cameras, and linen and cotton fabrics. The group of agricultural food items includes deliveries of rolled oats, butter, powdered milk, wines and vodkas.

These lists merely inform economic organizational units that countries are interested in their export and that they have specific delivery possibilities. They are not of an obligatory nature.

The Polish-Belarusian protocol contains many other important points of mutual agreement. One of these is the support of initiatives and planned ventures in the area of creating the bank infrastructure, including the organization of Polish-Belarusian commercial banks. In addition to this, both governments will support the development of cooperation between borderlining regions, and data on the organization and status of specially created economic zones will be exchanged.

The protocol contains an agreement to complete, as soon as possible, the work aimed at increasing the traffic capacity of existing border crossings, including customs inspections, organizing new crossings and creating the appropriate infrastructure for this purpose. The exchange of information on new normative legal regulations in the sphere of economic cooperation with foreign countries in Belarus and Poland will be of major significance. There is also a very specific agreement regarding the need to create a Polish-Belarusian business school. Under the conditions of the passage to a market economy, skill on the part of economic organizational units in taking active based upon a sound knowledge of legal and economic-financial principles and mechanisms may accelerate the process of restructuring the organizational system of bilateral cooperation and may shorten the road toward successful business ventures, especially for the Belarusians.

Budget Outlays on Housing Reviewed

AZEPIEWSKI in article RZECZPOSPOLITA ECONOMY AND LAW supplement, in Polish 14 Apr 92 p II

[Article by Ewa Zielkiewicz: "Money for Housing: What Can We Count On?"]

[Text] In the flood of housing construction laws and decrees coming one after the other, somewhere the concrete sums the state plans to earmark this year for housing construction have gotten lost. According to MGPiB [Land Use Management and Construction] data, the share of housing construction in all budgetary outlays planned for the current year constitutes 7.3 percent.

The monies assigned by the budget are designated as follows.

- For payment of the guaranteed premium on concluding contributions for housing construction. The Council of Ministers passed a decree on 16 October 1990 wherein this premium is calculated for payments for: Apartments in a multifamily dwelling not in excess of 55 square meters [m²] of usable surface area, 70 m² in a single-family dwelling, apartments in a small apartments house, and for an apartment house having many apartments based upon a square meter conversion factor that is determined for quarterly periods. Budgetary outlays amounting to 2.250 trillion zlotys [Z] allotted for this purpose are to ease the obligations of the owners of housing savings books, who must gather together their own contribution up to the amount required at the time of their liquidation.
- For refunding Z8.24 trillion worth of housing credit amortization, including Z2.524 trillion to pay for 1991 obligations and Z5.5 trillion to amortize credit used for facilities placed in service in the first quarter of 1992. If the Sejm had not passed an updated law on putting credit relations in order, according to which the state is abandoning credit subsidies granted up to 31 December 1989 to build housing not placed into service before the end of the first quarter of this year, budgetary outlays would have to increase to approximately Z3 trillion.
- For the temporary redemption to credit recipients of interest on credit incurred before 20 October 1991. Budgetary outlays will reach the sum of Z8.45 trillion. Additional sums of Z41 billion are also projected here. According to an RM decree, a credit recipient will earmark 25 percent of his income to repay credit and interest, and the budget will temporarily redeem no less than 70 percent of the obligation due on unpaid interest on credit incurred before 20 October 1991.

Funds of $200 million obtained thanks to World Bank credit will have to be added to the sums expended by the state budget for housing construction. These credits will

be granted to us under the condition that our budget will allot $200 million of its own. According to information from the construction ministry, it does not have the money for this at present. It is very likely that we shall obtain a loan of $66 billion [as published] from the European Rebuilding and Development Bank for this budgetary contribution. The rest should be covered by the Polish side. U.S. governmental credit guarantees of $23 million designated for housing construction remain an open question. Talks conducted in the United States by Prime Minister Olszewski will certainly explain how this matter will be resolved.

Ambassador Assesses Relations With U.S.

6120051 LI'92 Bucharest CURIERUL NATIONAL in Romanian 11 May 92 pp 1, 6

[Interview with Aurel Dragos Munteanu, Romanian ambassador to the United States, by Paul Dobrescu on 9 May; place not given: "I Would Like To Win the United States' Trust in Romania"]

[Text] [Dobrescu] Mr. Ambassador, you left today (9 May) to present your credentials to the White House, together with your wife and daughter. Is this the protocol in the States?

[Munteanu] Yes, the presentation of credentials at the White House is an impressive event. With an honor guard at the entrance and the White House chief of protocol who accompanies the ambassador. The ceremony with which the U.S. President receives the ambassador is also characterized by a sort of intimacy. In U.S. society, the president is not viewed as a god, but the embodiment of the best qualities of a citizen as seen by the electorate at a given moment, and this implies an intimate solidarity and the ability to establish human relations which come into play in such ceremonial circumstances. When I was informed that I was going to be received by the U.S. President, I was asked whether my family was going to participate, whether my children were also in the United States, and whether they wanted to accompany me to this special event. That is why my wife and daughter, who is a student in New York, accompanied me. As a matter of fact, the President was very nice to us, he had his picture taken with my family and he inquired about our life in the States.

[Dobrescu] What is your impression of President Bush, how does he view the situation in Romania and the prospects for bilateral relations?

[Munteanu] The President seemed very warmhearted, he inquired about the situation in Romania and several times affirmed what is significant: the United States' support for the democratic process in Romania.

[Dobrescu] Maybe it would be interesting to give a few details about the form of this support in the coming period.

[Munteanu] There are clear political signs—confirmed during the talk with the U.S. President—that the U.S. administration and the other ruling bodies have begun to have confidence in the correctness of the democratic process in Romania. This is maybe the most important element. This is not an element of political circumstances, but trust in the way Romania is progressing. I can cite the signing of the trade accord, which the State Department has decided to submit to Congress, and also the firm intention to grant most-favored-nation status to Romania. There is also increased interest in cooperation with Romania among businessmen and in financial circles. Important delegations from the Ministry of Finance, Economy, and Trade of Romania and from the Agency for Development visited Washington recently and held talks and meetings not only with international organizations (the World Bank, IMF), but also with U.S. businessmen.

[Dobrescu] A few days ago, THE NEW YORK TIMES published a nice, and I would say warm, description of you accompanied by a picture of you. Is this a sign that you are accepted and trusted by the American authorities?

[Munteanu] Probably. It is difficult for me to talk about myself and my relationship with American society. I think that that article is rather due to my activity at the United Nations, although it was meant as an article welcoming me to Washington. It could be significant for a more general acceptance of the Romanian ambassador, and this would give me pleasure.

[Dobrescu] Any mandate has a beginning. You have arrived at a time when Romanian-American relations are developing, but not exactly the way both sides would like. At least as far as Romania is concerned, there is a feeling that the Americans do not completely trust us and, maybe, do not support us as we expected them to. Can you tell us a few objectives you have in mind as Romania's ambassador to improve these relations?

[Munteanu] My feeling is somewhat different from yours. It seems to me that for the first time after the revolution, Romanian-American relations have a real chance of improving. As far as I am concerned, I am trying not to forget the mistakes we have made, which contributed to increasing the tension that existed between Romania and the United States in the past two years, and I will make an effort to avoid similar mistakes. Second, the objective an embassy has to pursue is to improve communication between the two societies. Very often we misunderstand American policy, the American position, and the aims of the Washington Administration. Our activity can improve this very important communication. Third, I think that an embassy has to try to demonstrate what Romania itself is like. Decent, clean, truth-loving, and anxious to avoid double dealing.

In other words, I would like to establish an atmosphere of full trust in the Romanian society and Romanian Governments—no matter which—on the part of the American Administration and society. Therefore, this is what I would like to achieve: America's trust in Romania.

Political Realignment After FSN Split Analyzed

92BA0081A Bucharest ROMANIA LIBERA in Romanian 1 May 92 p 1

[Article by Octavian Paler: "A Smoke Screen"]

[Text] While it may be too much to talk of a struggle of ideas in a conflict such as the one between Ion Iliescu's and Petre Roman's supporters, I think we can talk of a

confrontation of mentalities. In a pinch, we could even use the formulas in circulation, "conservatives" and "reformists," although the Cotroceni Palace dislikes this division for reasons easy to figure out, because in East Europe the word "conservative" now has a completely different connotation than the traditional one that has struck roots in our country, too.

Regarding the conservatism of those who abandoned ship after rowing as hard as they could against the current, I assume that there cannot be serious doubts. It is too obvious that they are leading a bitter rear-guard struggle, supported probably from the shadows by all kinds of professional "nostalgics" (old professionals?), in a bid to rescue whatever can be rescued of a ship-wrecked system, which they in principle deny, although not in their principles. Their obstacles, administrators and language no longer permit any illusion. They probably know themselves that the ruination of their credibility is advancing. All that is left for them to do is to try to camouflage it under noisy rhetoric and to delay it, aware of the fact that the removal of their "support points" from Cotroceni, from Parliament, and from other centers of power will leave them no chance of getting a part in the play. The idea of attaching the day of 22 December to the conservative rhetoric is therefore more than an abuse. It borders on indecency, especially since some of the founders of the new FSN [National Salvation Front] are orators specialized in slandering Timisoara.

In the other camp the situation is less clear. The only thing that is certain is that the "reformists," as they like to call themselves, have won greater freedom of movement as a result of the departure of the conservatives. It is, however, a pyrrhic win, because Petre Roman's supporters have lost their aids. Until now, all the hesitations, ambiguities, half measures, and double games could be laid at the door of the conservatives in the Front. This excuse no longer exists and there are more murky waters that need to be cleared.

First, everyone knows that after the revolution Mr. Roman and his partisans did not talk all the time the way they do now. They are even reversing their views. Yesterday's official advocates of "original" democracy now claim to be struggling for an authentic democracy. Very well, but in that case why was this 180 degrees turn not explained and substantiated by a clear and categorical repudiation of the evil done before? Between the time—strewn with many black moments for the fate of Romanian Democracy—when Mr. Roman sat next to Mr. Iliescu and spoke like Mr. Iliescu, serving the same cause that the conservatives now serve, and the accusations now leveled at former ship-mates, between the time when Mr. Roman orchestrated the unfortunate meeting in Alba Iulia and his present declarations on the subject of democracy, between the calumnies hurled by, among others, Mr. Roman's partisans at the University Square and embracing some of the University Square demands, between abetting the return of the old Securitate in force and today's accusations against the interference of the same Securitate in politics, in short, between what the "reformists" said and did before the departure of the former premier and their current discourse there is a chasm that requires some dramatic qualification or at least a convincing explanation to fill it up. Otherwise, anyone might suspect them of being a superficial, conjunctural change dictated by events, rather than by evolving views.

In addition, the "reformists" give the impression of being very skilled at seizing all the fashionable slogans. Almost none of the demands of the street—so badly absent, even in official communiques issued by the spokesman of the Roman cabinet—is now absent from the present talk of Mr. Roman's supporters. At times you may think you are dreaming and that some of the reformist FSN-ists were present in the University Square in disguise and that only now are they revealing their true identity. But in the end such skills cannot avoid causing suspicion. What else do they have in store for us?

And finally, the FSN's original sin, eclecticism, did not disappear just because the conservatives left the Front. The political discourse of the "reformists" is like a bazaar, in which good ideas rub shoulders with demagogical slogans, and the "right" and "left" look like playing cards, something that will naturally inspire suspicion and raise a question that only the future will answer: Is the difference between the old Front and the new Front only a matter of means, not of and end, too? If so, all this anticonservative stir is nothing but a smoke screen used in the struggle for power.

Ministry Issues Communique on Weapons Possession

AU2305111192 Bucharest CURIERUL NATIONAL in Romanian 16 May 92 p 4

[Text] "Text" of communique issued by the Press Bureau of the Ministry of the Interior in Bucharest, date not given]

[Text] While working to ensure the observance of the legal provisions that regulate the police of weapons and ammunition, during the period that has elapsed since the beginning of this year, the police units—in cooperation with the border police and customs authorities—have seized and confiscated 249 weapons and 4,223 cartridges that have been illegally kept by Romanian and foreign citizens. During the same period, a number of 209 weapons and 5,703 cartridges have been found and handed over by the population to the official bodies. Taking into consideration the high level of social danger posed by the possession of weapons and ammunition by unauthorized persons and by accidents with very serious consequences that might occur in such cases, we deem it necessary to make the following statement:

The regime of weapons and ammunition is regulated by the law, which includes stipulations to the effect that individual persons, including foreign citizens, are permitted to possess or carry weapons or ammunition only with the authorization of the police units. To disregard

those provisions is a violation that is included in Article 279 of the Penal Code and is punishable by six months to seven years in prison. Likewise, the act of failing to report at once to the nearest police unit when finding a weapon, ammunition, or explosive material also constitutes a violation of the law.

In Romania, air guns or compressed gas weapons come under the regime of authorization and can be used only in places especially set up for this purpose.

In accordance with the provisions included in the Penal Code, persons who hand over weapons and ammunition that they possess without an authorization before the penal investigation bodies find out about them are excused from punishment.

Need To Offset Import Dependence Noted

[illegible] *Bucharest [illegible] in Romanian [illegible]*

[Interview with Daniel Dăianu, secretary of state at the Ministry of Economy and Finance, by Lucia Simion; place and date not given: "The Present Exchange Rate of the Leu Penalizes Exporters"]

[Text] [Simion] Mr. Dăianu, it is no longer a secret to anyone the fact that the Romanian economy is heading on "moving sand." As a macroeconomist, what do you think are the dangers that lurk for us in the immediate future?

[Dăianu] We can talk of two great dangers. The first is hyperinflation, which is becoming discernible on a not very distant horizon. It will be a tragedy if the Romanian economy should fall into the "trap of hours" of hyperinflation.

[Simion] What does hyperinflation actually mean?

[Dăianu] In the professional literature, hyperinflation is a concept that was introduced in the 1950's by Phil Cagan; it is viewed as such a fast rate of price increase that the prices grow by more than 50 percent a month. History (as in the case of the Latin American countries) has shown that hyperinflation is far more difficult to "kill" than high inflation. Expensive stabilization programs are required for a long period of time. Romania is not yet at that stage, but it would be a tragedy if it came to that. The decision-making factors would then be compelled to take the harshest measures.

[Simion] What is the second danger?

[Dăianu] The apparent inability of our economy to export sufficiently. The Romanian economy, massively dependent on imports of raw materials and energy, must export.

[Simion] In order to be able to live on imports?

[Dăianu] Precisely. At the beginning of the 1980's Romania was exporting goods worth $11 billion. That figure must be taken circumspectly because of the exports within CEMA. Anyway, we are certain about over $6 billion in hard currency. Although exhausted by the shock therapy of the eighth decade, by forced consumption cuts, and by imports of advanced equipment and technologies, by the end of 1989 our country exported goods in the amount of close to $6 billion in terms of freely convertible currency. Of course, a considerable portion of that figure consisted of forced exports (by definition uneconomical), but in any case, we have an idea of what were potentially exportable and marketable products. Suddenly, in 1990, for reasons that we do not now have the time to discuss, hard currency exports dropped to $3.5 billion.

[Simion] What does that suggest?

[Dăianu] It means that Romania has a substantially greater export potential than the present figures show. We have exportable goods that do not make it to foreign markets.

[Simion] Why?

[Dăianu] Aside from fractures in the economy, the break-off of certain connections, and the fact that some production enterprises lost contact with the foreign market because of the confusion prevailing in the foreign trade system, the exchange rate is penalizing to exporters.

[Simion] How so?

[Dăianu] Because it does not cover the production costs. I know of many cases of enterprises that could deliver goods abroad to traditional customers, but to whom they are not shipping products because it is more profitable to sell them on the domestic market or to keep them in stock.

[Simion] What can be done?

[Dăianu] The exchange rate must be set at an equilibrium level that will make the current account balance bearable. From an accounting viewpoint, the balance of payments can only be balanced. In the absence of long-term, autonomous capital movements, the disequilibrium of the current account can be compensated by spending foreign currency reserves, selling gold, taking out additional short-term loans, or rescheduling the foreign debt. In our situation, in which there is no question of foreign investors lining up to seize investment opportunities in the Romanian economy, foreign loans are made conditional on programs of macroeconomic stabilization. Serious institutions like the IMF, the World Bank, or EBRD [European Bank for Reconstruction and Development] require such programs as collateral.

[Simion] What is the budget involved in such maximum billing programs?

[Dăianu] The cost of such programs consists of a contracting effect on economic activities, which is inflation. Contraction means a lower salvent growth, and exports

provide the ways and means to raise demand for what our economy is capable of producing. By exporting we facilitate additional imports and continue to provide jobs for people and enterprises. The stockpiled goods could be delivered if we were to return to a mechanism that does not penalize the exporters.

[illegible] Does the present exchange rate reflect the reality?

[Daianu] An exchange rate of 1[illegible] lei per $1 is considerably overrated. In fact, an implicit exchange rate is also in operation in our country, as a result of barter-type "linked" commercial operations. That exchange rate, the level of which we can guess, is a quasi-equilibrium. I am not pleading for instituting a free exchange rate overnight. The equilibrium exchange rate must be accompanied by an appropriate commercial policy, a satisfactory monetary (interest rate) policy, consistent efforts to ensure financial discipline, and last but not least by an effective income policy.

[illegible] What should the commercial policy, for example, feature?

[Daianu] Subsidies or temporary aid to enterprises that can export; in addition, information about foreign markets, a crucial resource that must be offered to exporters (preferably at zero cost). The state can play an essential role in this respect. The Chambers of Commerce can offer inexpensive information regarding export opportunities. I want to also stress a shaping of the structure of imports, precisely because we have such great difficulties with the trade balance. Whenever necessary, we can (temporarily) establish prohibitive tariffs on nonessential goods, which the international law permits. The current situation is totally exceptional. While the measures taken at the time saw us through winter, it also shunted us to a byroad, having been a temporary solution that did not improve the economic situation. It soon became obvious that the exchange rate in question was not tenable and that it blocked access to foreign currency, which was controlled administratively, while exports were paralyzed.

[illegible] Going back to solutions.

[Daianu] A monetary policy capable of stimulating the process of saving and of constraining the enterprises to exercise prudence in the management of their own resources. At these microscopic rates of interest compared to the rate of inflation, nobody can be expected to want to save. Foreign currency is now viewed as a means of storing up purchasing power. People are fleeing the national currency. The negative real interest rates are increasing the appetite of the enterprises for loans and constitute an invitation to getting into debt. It is true that positive real rates of interest may generate new problems for unprofitable enterprises that are already in great difficulties. However, we must admit that there is no good magic solution for everyone; someone has to pay. Until now the public has paid as consumers. We cannot eat our cake and have it, too! We will see to remove [illegible]

[illegible]

[illegible]

[illegible]

Capital Survey: Mayors on "Councils" [illegible]

[illegible]

[illegible]

[illegible]

2. What is the relation between [illegible] in the decentralization and autonomy of local administration agencies?

3. As representative of a party that participated in the Democratic Convention, to what extent do you consider that this affiliation influences the decisions being taken? And to what extent does the council members' affiliation to different parties offer conditions for effective administration?

[illegible]

[illegible]

budget, when the budget returns approved, it will not be in a position to assure real autonomy.

In terms of organization, here too we are encountering difficulties. Some were known, others are actually a result of the Law 69 for Public Administration, which limits a number of local council and mayoral functions, with some prerogatives disappearing recently in the law of sectors. Specifically those that could assure financial autonomy, such as establishing taxes. You are not allowed to do it at the sector level, you are not allowed to form some companies, you cannot contract for services. It is true that it is still possible to delegate some matters through the Capital's Local Council, and we will request them at the next meeting, where we will present a proposal requesting a number of additional competences. In general, without exaggeration, it can be said that a sector with nearly 400,000 inhabitants has less autonomy and power than the smallest commune in the country. Also in terms of organization, we are prisoners of the former supercentralized structures in a number of areas in which county subordinations have direct relations with county city offices. Sanitation and garbage collection are performed by the Bucharest Municipality Sanitation Sanitation agency, over which we do not have direct control, but with which we only collaborate. There is no way for us to tell them what to do. I could mention other peculiar situations, some of which are laughable. For example, if someone wants to cut down a tree and the tree is dry, he requires approval from ADP-Sector 2, but if the tree is green, the same request must be placed with the Capital's Public Domain Directorate (DDP). The parks also are divided, some of them belonging to ADP, some others to DDP—as is the case in many other sectors, creating the risk of confusion, more at times, among citizens. Personnel also falls under the same organizational classification. From the beginning, I started with the idea that merit should be rewarded, and I have rewarded it, but not where an employee does not perform according to clearly stated rules—which require competence, honesty, promptness, the prerequisites for a good employee—in which case we dispense with his services. Moreover, some latitude must be conceded to employees, and the weight regarded nomenclature imposed by upper echelons cannot be changed, will not be tolerated. Some employees have acquired a superior attitude so do not accept this and we will penalize a without much success.

Concerning the operation of the city offices as a unified enterprise, we have imposed three of the previous organizational chart in order to ensure a smooth transition without impact on the people, but I also think the experiment of Sector 1 is interesting and could be considered for the future.

As one of an entire mayors must cause a needs to exchange experiences, ideas, and experiences. I am convinced that this is helpful, for the time being, this process works well and everyone is satisfied. These meetings are almost always attended by either the mayor general or one of the vice mayors, since the nature of our nationwide main structures in the Bucharest City Hall is a friendly collaboration—friendly but serious. So far, we did not have conceptional relations with the public participant, we have made two calls with more or less good response. I will probably request a meeting soon to deal concerning problems for which I have received no sign of progress.

3. To begin with, I consider myself a political man. But as mayor, you have to be a good manager, some managing has no political color. If a manager involves some political aspects, it will be detrimental to him, as the council political considerations have very little influence in the city offices activities. The things that have occurred in the 1 committee do not arise in the council so affecting the sector mayors and from the short experience I have had so far, I believe that we collaborate well and efficiently. We are a group that has finished itself in a year and I think that we will continue to go on together, notwithstanding, of what is decided at the higher levels of the parties to which we belong.

Constantin Tatomirescu, Sector 1 mayor, engineer-economist, member of the National Peasant Christian Democratic Party:

1. Given the conditions of the sector, as in fact the conditions of the whole city, and given the totally inadequate financial resources are insufficient, there are some indications. In practical terms, we have been good nothing, we work as we can with the [illegible] we have. It is clear that we have to work for more analysis of income through the enterprises we control, ADP, rent for factor 1 markets, or through other avenues.

From the moment I came to the mayor's office I have considered the creation of a functional organizational structure that would be responsible for the complex problems, and this based primarily on the composition of the local council which means no majority control exists. So in small, in no more than one month we will begin the selection of candidates for the positions of departments or office heads so that these positions will be occupied by the best people. We will be much more those who, along with good professional training, will demonstrate the greatest initiative and willingness to solve fundamental problems as well as some problems that will arise along the way. This is a [illegible] based measure based on the possibilities offered by the administrative law, which grants more leeway for the right to suggestion. The situation of [illegible] and personnel.

Closing back to the fact of the [illegible] financial resources, I can mention that the conditions that the people have faced for many years—water, heat, light, and roads—are much too difficult to be overlooked in one or two months. And the most difficult suggestions for place in which we encounter the greatest number of complaints are those of dangerous functions of city [illegible] conditions, primarily without flowing and those of the city without cover for [illegible] conditions. The city

offices have neither the legislative nor financial means they need for a rational approach to the most of the problems. Solutions are case by case, depending on what is available at the time. Unfortunately, the specifics are this very low standard of living, the large number of unemployed, the large number of those below a decent living threshold. In addition, one special problem in the sector are the new buildings. The largest number of new apartment houses in Bucharest is in the sector.

Most of them are abandoned, and I don't think only because of a shortage of monies, but because of inadequate legislation, a lack of organization, and even inferior management. In this respect, the sector city offices have absolutely no decisionmaking power.

2. To begin with, our city offices have drafted a proposal of clear, focused measures for organizing in the shortest possible time a meeting aimed at increasing the mayors' capabilities and decentralizing some decisions. The proposal was submitted for the approval of the Local Council, and will be forwarded to the Capital's City Hall for an answer, favorable or not. Otherwise, we, the sector mayors, have a very close relationship, meeting weekly. These are very useful meetings from which we learn a great deal from one another.

3. None of the actions we have undertaken bears a political imprint. They are all purely and simply management actions. But the most diverse interpretations can exist, since any action has both a political and a strictly technical nature. And since it touches upon your question, I must tell you that the Convention problems have absolutely no reflection in city office activities; they are purely political, internal, party or parties considerations. A stronger connection between politics and the area of administration is found in Parliament's activities. We, public officials, must move within a legislative framework created by parliamentary delegates, and this legislative framework is most often not favorable to solving our problems. Legislative acts frequently prove to be unadaptable to facts.

Nicolae Ion Bicas, Sector 5 mayor; 56 years old, construction engineer, lives in the sector, member of the PNL (National Liberal Party)

1. According to our calculations, without including investments, our sector needs about 500 million lei for ALDP and city offices alone. If we want to also take care of the Sector 5 roads, we would need about 1.7 billion just to bring them up to normal. I was surprised to see that city offices do not have their own income accounts; as a result, the first thing I did was to open one based on Law 69. This account is outside the budget, and is derived from donations, rent from some city office buildings, and so on. With this money, we manage to buy what is strictly necessary for the city offices: supplies, typewriters. These were the first steps. Our intention is to first of all solve the street problems, road cleaning and repair, for which we have some foreign partners. Without money, the only solution is an exchange: we will see with whom and for what.

Considering that the organization of the city offices is essential for their operation, I felt a real satisfaction and understandable relief when I saw that conditions were reasonably good in Sector 5. There exists a whole set of correctly updated documents in all three of the major areas we are facing: housing, privatization, and land ownership. Added to this is urbanism. All of these have worked almost faultlessly, perhaps less so in terms of land ownership. Everything was agreed upon and completed collectively in the Coordination Council of our city offices. Documents are introduced with memos, referred, which also leads to the method of solution.

Among the first measures we took in the city offices wherever we noted irregularities was to change management in areas where problems were detected; we installed competent and trustworthy people, and although some reservations existed in their respect, we saw improvements in those activities. Many problems are solved more rapidly, and people no longer have to see the mayor to obtain certificates that can be issued by someone else. In fact, the Sector 5 city offices were among the first to issue certificates for about 470 hectares of arable land. And we did that as early as March.

2. Going on to considerations associated with a real and absolutely necessary decentralization, I will give you an example: In the case of land ownership operations, we are asked to compile tables and send them for approval to the Capital City Hall. The same problem arises in many of the activities of sector mayors. The autonomy granted in Law 69 appears only in the first article, because ultimately Article 113 refutes those that precede it. We are trying to have these functions delegated to us; we have made the required interventions, and in the Capital's City Hall, the vice mayors as well as the mayor general appear interested in granting them. In saying this, I base myself on our collaboration so far and on the answer we received to our requests. Currently, we are making a public property inventory requested by a government memo. We will be finished with this task by the end of June, after which we will be left to take care of our own business.

3. As a rule, the sector mayors, belonging to the same organization, which is in fact a political conglomerate, meet every week to discuss the various problems that arise in city office affairs, and to carry out joint actions.

We all agree that as mayors we are public officials invested with great responsibilities. Within city offices, therefore, we must leave politics aside, and, regardless of the political organization of our council members, we must all accept that our common goal is the proper operation of the institution which we lead, and a competent response to the many, very many problems of the people. As for me, as member of the PNL, I can certainly support only liberal politics, but under no circumstances can I accept that the party to which I belong be involved

or administrative problems. I have assumed one single obligation toward the party, which is not to violate its principles. What is more, I have been assured that our party will support us in all actions.

Problem Areas in Agricultural Production Noted

AGRIBUSINESS Bucharest AZI in Romanian 7 May 92 pp 1, 3

[Article by Petre Matusescu, minister of Agriculture and Food Industry: "Let's Take Our Problems One at a Time"]

[Text] In 1991 we experienced significantly different climatic conditions in regard to the amounts of precipitation which fell during the year. The average was higher, nearly twice the average precipitation of the past 10 years. Let us not forget that 1991 means the return to a nearly normal climate in Romania, after 10 years of terrible drought. This is one aspect of the problem.

Similarly, during the months of April and May, we experienced low temperatures preceded by a minus sign, which have negatively influenced the period of vegetation, a condition which, together with precipitation, has extended the vegetation period by 24 to 28 days (data obtained from agricultural research).

In the third place, still in 1991, we experienced—as we expected to and are now expecting to experience—an acute shortage of money for the normal pursuit of activities. This has meant that the herbicides necessary for wheat were not on hand, with only 25 percent of the area being treated—which, in practical terms, has meant a reduction in wheat production for the year 1991, not only quantitatively but also qualitatively.

In addition, we depend on substances for treatment against leaf diseases, and 1991 has seen an extraordinarily heavy attack due to the conditions that I have mentioned earlier. The unfavorable meteorological conditions for this crop, along with large amounts of precipitation, have created an extraordinary attack of fungus, which has lowered the quality as well as the quantity of wheat production. We may be the only country in this area that could not apply these treatments against leaf disease in 1991. Based on the estimates of specialists in the Ministry of Agriculture, approximately 4.9 million tons of wheat were produced last year. We have lost approximately one, to slightly more than one, million tons of wheat because of this. As a result of the factors which I mentioned so far, that is, unfavorable meteorological conditions, lack of herbicides and herbicide treatment, and a lack of substances for treating leaf disease, we have experienced an extremely great loss of quality, the quality of the wheat no longer being adequate for bread-making purposes. In terms of the production received by ROMCEREAL, or the so-called state fund (actually the national fund, which should have assured the population with a large portion of the wheat needed for bread and wheat products), 1.5 million tons did not have very good bread-making qualities. In order not to increase the country's foreign currency expenses, we made great efforts to blend the wheat, efforts which sometimes naturally failed in terms of bread quality. We have assured and assumed the risk of a quality that is not always adequate, and this depends greatly on our food industry and bread-making enterprises, in order to nevertheless assure a bread quality within more or less reasonable limits. We can estimate that only about 1.2-1.3 million tons met quality conditions, and this covers the entire wheat production, which includes that of private owners (let us not forget that 82 percent of the area planted with wheat came under new ownership through the Land Ownership Law).

We thus advised the government and analyzed at the government level the imports needed to improve the quality of the wheat, which would have meant over one million tons. These imports were greatly reduced in time through a more rational use of the bread fund, the wheat fund that we had allocated.

At this time, the wheat needed for bread until the new crop arrives is assured. A contract, which has attracted much attention in the press, is being carried out, but this contract has given us the chance to obtain wheat without money—because everybody must understand this, that Romania did not have the hard currency necessary for these imports, not even enough to open the necessary credit, and not even the 10 percent that must be paid in advance. We did not even have the money for transportation! And so we did manage to obtain these imports and bring in the wheat needed to assure bread until the new crop—actually we were not the ones who obtain the imports and don't deserve the credit, because we were offered this chance. At the same time, we made a number of bids which complement the wheat fund needed to supply the population with bread. With this wheat coming in, I think that the quality of the bread resulting from mixing the wheat which we still have in stock and the new wheat that is coming in, with its quality, will also improve the quality of the bread in terms of the gluten needed for good quality bread.

As to sugar production, I must tell you that the restructured agriculture and the shift to the new form of ownership through the—if I may say so, brutal—termination of the former cooperative units, and the decentralization it has created has meant that the Ministry of Agriculture did not have all the necessary instruments—and does not even now have all the necessary instruments—to program production as it used to be planned in the past by establishing the areas that would be planted. Until the mechanism is completed with all the organizational structure it implies from the bottom to the top—and that is the direction, from the bottom to the top—it will not be possible to discuss a so-called planning and programming. As a result, 1991 has seen a drastic decline, a drastic reduction in the area cultivated with sugar beet, from 250,000 hectares (but to only 200,000 ha the exact figure is 202,000 ha planted with sugar beet). In itself, this would not be exceptional if we consider that during the year that has ended, 1991, as a

result of the meteorological conditions favorable for the crop as well as whatever we could provide, sugar beet production increased by about five tons per hectare. But that was not enough to produce the quantity of sugar planned. If the full sugar production quota was not realized, this can also be ascribed to the shortages of the national economy. For instance, during 1989, during the fall and winter of 1989, sugar plants were faced with great shortages of fuel—in particular fuel oil, which was known to be lacking even at the time, and diesel fuel, which we know is not available—and not due to anyone's fault or anyone's fault, because we depend on these products from abroad. But we did manage sugar plant activities for 36 days. This 36-day interruption has meant 36 days of delay in receiving and processing sugar beet in sugar plants, and we can estimate the 1990 losses due to this situation at about 130,000 tons of sugar. This figure was estimated by specialists in the general directorate for agriculture in the Ministry of Agriculture. Therefore, why is there no sugar?

If in 1990 we do not succeed in—this is not meant as criticism but as an observation of the circumstances we are experiencing and which give rise to so many natural questions for our people—if we do not succeed in providing the necessary herbicides, if we do not succeed in ensuring the substances needed for treatments during the period of vegetation (you know how many pests attack sugar beet), and if we do not succeed in providing the supplies for plants to work at full efficiency, then we will probably see even larger figures at the end of this year. In these conditions of scarcity, agriculture cannot proceed normally and cannot provide—not answers, but peace of mind about supplying the population.

With respect to oil, the area planned last year was also smaller, and here we experienced a number of fertilization shortages as well. The fertilizers we had last year were at the lowest level in the history of agriculture, which is to say the last 30 years. We had fertilizers for only about 25-26 percent of the planned area. Without meaning to theorize, type, hybrid, and soil, the richness of the earth, to use a more popular term, are not the only factors that lead to a full crop. Knowing that one kilogram of active substance nitrogen produces 10 kg of grain, we can evaluate the losses we have registered and threaten to be registered during this year if we do not succeed in obtaining needed chemical fertilizers. Agriculture must certainly be viewed as a branch that depends on a number of other upstream industries, as well as on labor distribution downstream. With regard to oil, by processing we get protein fodder for animals, we hope to succeed in obtaining all the soy needed to cover our needs until the new crop. It's a matter of another 110,000 tons of oil, which we hope to obtain through processing—thus producing grist for cattle—in order to meet the need for oil.

What will be the price of meat? Through Government Decision No. 776, Article 23, the Ministry of Agriculture is authorized to establish contracting and acquisition prices. Strictly in terms of meat, these prices have already been set at this time because every price is backed by costs. It is the cost price that determines the measures we take regarding contracting and acquisition price levels. It is not the Ministry of Agriculture that establishes the price level of the finished product. This is a matter for the Price Department, probably the Ministry of Commerce. We know approximately how much will be paid per kilogram of meat on the hoof, which represents the cost price to which the Ministry of Agriculture adds practically nothing because it needs practically nothing.

These prices will certainly rise as the subvention is reduced by 25 percent. I have personally not calculated where this will lead, but let's not forget that in addition to the consumer, we must also provide protection for the producer, who can't work at a loss either.

Problems arise, of course, which affect labor productivity in livestock management, fodder consumption per kilogram of higher meat production, the number of livestock births, the number of deaths, and so on. All of these things are part of the Ministry of Agriculture's strategy, which will attempt to continue, to begin to place some order in production units. Let us also not forget the extent of personnel transfer which we experienced immediately after the Revolution, when cooperative units were terminated and some of the personnel moved to the private sector. And one more thing: the dependence of the livestock sector on protein fodder. We are not the ones who created this livestock sector in Romania. Romania depends 50-60 percent on fodder

END OF

FICHE

DATE FILMED

18 June 1992